

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6385

BILL NUMBER: HB 2010

DATE PREPARED: Dec 28, 2000

BILL AMENDED:

SUBJECT: Regional Road Authority.

FISCAL ANALYST: James Sperlik

PHONE NUMBER: 232-9866

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows a combination of counties and municipalities to create a regional road authority. It provides that 10% of the amounts credited to the State and Local Projects Account (SLCPA) of the Build Indiana Fund may be distributed only to regional road authorities. The bill directs the regional road authority to coordinate road work on roads that run between the governmental units belonging to the authority within the boundaries of the authority. It provides for membership and administration of the regional road authority. The bill also corrects a reference to the Commission for Higher Education.

Effective Date: July 1, 2001.

Explanation of State Expenditures: This bill provides a source of funding for road authorities established under its provisions. Subject to appropriations by the General Assembly, ten percent of the amount credited to the State and Local Capital Projects Account of the Build Indiana Fund (BIF) may be distributed to regional road authorities that have requested funds. Road authorities must submit a request for funds to the State Budget Agency. The Budget Agency is to prepare a prioritized Regional Road Authority Project Report and submit the report to the Governor and the Legislative Council.

Money appropriated for a regional road authority may not be expended until the project is reviewed by the State Budget Committee and approved by the Governor upon the recommendation of the State Budget Agency. Any project not funded may be carried forward and included in the Budget Agency's Regional Road Authority Project Report. At the end of each state fiscal year, money not distributed to a regional road authority reverts to the State and Local Projects Account of the BIF.

Under the current statute, surplus Lottery revenue is first transferred to the Teachers' Retirement Fund (TRF) and the Pension Relief Fund (PRF). Once these transfers are made, surplus Lottery revenue is then distributed to the Lottery and Gaming Surplus Account (LGSA) within the Build Indiana Fund.

The LGSA also receives surplus gaming revenues (revenues from the Riverboat Wagering Tax, the Parimutuel Wagering Tax, and the Charity Gaming Excise Tax). A statutorily determined amount of revenue in the LGSA is transferred each year to the Motor Vehicle Excise Tax Replacement Account (MVETRA) within the state General Fund. (Beginning with FY 2002 and continuing each year thereafter, this amount is equal to approximately \$236.2 M.) The remaining money in the LGSA is then transferred to the State and Local Capital Projects Account (SLCPA). The balance of the BIF as of June 30, 2000, is \$342.1 M. The table below outlines the actual and estimated Lottery and gaming revenue for FY 2000 to FY 2003, along with the required statutory distributions.

Surplus Lottery and Gaming Revenue & Distributions (Millions)

Revenues & Distributions	FY 2000 (Actual)	FY 2001 (Projected)	FY 2002 (Projected)	FY 2003 (Projected)
Surplus Lottery Revenue	\$173.3	\$167.0	\$167.0	\$167.0
TRF Transfer	(\$30.0)	(\$30.0)	(\$30.0)	(\$30.0)
PRF Transfer	(\$30.0)	(\$30.0)	(\$30.0)	(\$30.0)
Surplus Lottery Revenue to the LGSA	\$113.3	\$107.0	\$107.0	\$107.0
Surplus Gaming Revenue to the LGSA	\$252.5	\$256.6	\$256.6	\$256.6
Interest	\$18.1	\$14.0	\$14.0	\$14.0
Total Revenue to LGSA	383.9	377.6	377.6	377.6
MVETRA Transfer	(\$219.8)	(\$234.7)	(\$236.2)	(\$236.2)
SLCPA Transfer	(\$164.1)	(\$142.9)	(\$141.4)	(\$141.4)

Ten percent of the amount credited to the SLCPA would be approximately \$14 M annually over the next few years.

Explanation of State Revenues:

Explanation of Local Expenditures: Counties and municipalities may establish regional road authorities. The regional road authority is to coordinate the road work on roads that run between the governmental units belonging to the authority within the boundaries of the authority. A regional road authority control board directs the activities of the regional road authority. The board is to prepare an annual budget for the authority's operating and maintenance expenses and necessary capital expenses. Each budget is subject to review by the County Board of Tax Adjustment serving the county that contains a majority of the area of the authority and the State Board of Tax Commissioners. The expenses of the authority are to be paid by each member from funds received by the member from the Motor Vehicle Highway Account.

Explanation of Local Revenues: Regional road authorities may request funding from the Build Indiana State and Local Capital Projects Accounts for approved road projects.

State Agencies Affected: State Budget Agency; State Budget Committee; State Board of Tax Commissioners; State Board of Accounts.

Local Agencies Affected: Counties and municipalities who create a regional road authority; County Board of Tax Adjustment.

Information Sources: Sources and Uses of Lottery and Gaming Revenues Preliminary Report and Bob Lain, State Budget Agency, 232-5632.